

Dividend payouts and company ownership structure amid the global financial crisis: evidence from Russia

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Abstract

© 2016 Informa UK Limited, trading as Taylor & Francis Group. This article presents the results of an empirical study of the relationship between the ownership structure of Russian companies and their dividend policies against the backdrop of the global financial crisis. Quantitative estimates are obtained through panel data statistical analysis; the sample comprises data covering the 2003–2011 period for the largest companies in the non-financial sector of the national economy. The results show that amid the global financial crisis, the dividend payments of state-owned companies decrease more significantly than those of privately owned companies, whereas in the pre-crisis period, no significant differences are found between the dividend payouts of state-owned and privately owned companies. The public status of a company acts as one of the most significant determinants of both the decision to pay dividends and the amount of dividends paid. However, the generous dividend policies of public companies suffer greater ‘adjustments’ during the crisis period. Company profitability, size, investing activity, company financial structure and sectoral affiliation also act as important determinants of dividend payout.

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Keywords

dividend payout, Dividend policy, financial crisis, Russia, state-owned companies